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CENTRAL INTELLIGENCE AGENCY  
OFFICE OF CURRENT INTELLIGENCE  
13 November 1961

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CURRENT INTELLIGENCE MEMORANDUM

SUBJECT: Triennial Australian Parliamentary Elections on 9 December

1. Offices to be filled: All 124 seats of the House of Representatives and 31 of the 60 Senate seats.

2. Parties or factions participating: The election is a contest between the conservative government coalition, composed of the Liberal and Country parties, and the Australian Labor party (ALP). The splinter faction of the ALP, the Democratic Labor party (DLP), which has no representation in the lower house, is expected to have a significant influence on the election outcome; it could win as many as three Senate seats and thus hold the balance of power in that house. The independent Queensland Labor party has some chance to win a single senatorial race.

3. Outstanding personalities: The major personalities in the campaign are Liberal party leader Prime Minister Robert Menzies and ALP leader Arthur Calwell. Menzies, 66, has been prime minister since the Liberal-Country coalition defeated the Labor party government in 1949. He is an effective speaker and campaigner. He has firmly aligned his country with the United States while maintaining close Commonwealth ties. The second-ranking Liberal party figure is Harold E. Holt, deputy party leader and government treasurer. The ranking figure in the Country party is Trade Minister John McEwen.

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Arthur Calwell, 65, has been the leader of the ALP since the retirement of Herbert Evatt in 1960. He represents the right wing of the party, which is divided as to the degree to which it should accept electoral assistance from the Australian Communist party.

4. Present party strengths: In the House of Representatives, the government coalition holds 77 seats (Liberals 58 and Country party 19) to the ALP's 45. In the Senate, the government parties hold 32 seats, the ALP 26, and the DLP 2.

5. Principal issues: The campaign so far has centered on domestic economic issues, although the ALP may attack Menzies for his effort to hold both the posts of prime minister and minister of external affairs. Furthermore, the ALP may campaign for Australian recognition of Communist China. The ALP is attacking the government's economic policies, claiming they have been responsible for widespread unemployment. It calls for extensive development works, import controls, and other measures intended to relieve unemployment. The government, defending its economic policies, is asserting that it has averted inflation and a "boom and bust" situation. Also, seizing upon the division in the ALP, it may attack the Labor party for "softness on Communism."

6. Principal factors influencing outcome: The major factors influencing the outcome of the elections will probably be the deep split in the labor opposition and the role of the Democratic Labor party. The long-standing dispute over whether the DLP should shun all contacts with the Australian Communist party or cooperate with it in elections continues to divide the party into almost equal factions. Under Australia's system of proportional representation in the Senate, in areas where the DLP candidates are defeated the voter's second choice is expected to go to government coalition candidates.

7. Informed opinion on the outcome: It is expected that the Liberal-Country coalition will win

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in the House of Representatives, although with a reduced majority, but it is likely to lose its majority in the Senate, where the balance of power may be held by two or three DLP senators. There is also a chance that a single senator from the Queensland Labor party (not affiliated with either the ALP or the DLP) may be elected.

8. Significance for US security interests: Although a Liberal-Country coalition would simplify the continuation of current Australian-US programs, an ALP victory would have little significant impact on these programs.

  
Acting Assistant Director  
Current Intelligence

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